

PURPOSE OF MEETING: DECISIONAL – Obtain concurrence on proposed response to BLM’s question about relying on Wyoming DEQ’s minor source permit regulations to exempt oil and gas project emissions from inclusion in a general conformity determination in the Upper Green River Basin (UGRB) 8-hour Ozone Nonattainment Area.

BACKGROUND: The UGRB is the first ozone nonattainment area in the state of Wyoming. EPA (Region 8) and BLM have been discussing options and a path forward on general conformity for BLM and the state. Unlike other ozone nonattainment areas, the nonattainment season in the UGRB is in the winter. EPA designated the UGRB ozone nonattainment area with a “marginal” classification in May 2012. The state of WY needs to attain/demonstrate compliance with the ozone standard by 2015, or be reclassified with a higher classification (unless they receive an extension to their attainment date).

There are two new major oil and gas projects in this area: the Normally Pressured Lance (NPL) Natural Gas Development Project and the LaBarge Platform Infill Oil and Gas Development Project. BLM will need to demonstrate general conformity for both of these projects. The NPL project includes an estimated 3,500 new natural gas wells (350 wells per year for 10 years). The LaBarge Infill project includes an estimated 838 oil and natural gas wells. BLM and industry are anxious to complete the NEPA (and general conformity) process.

In EPA’s General Conformity rule (40 CFR 93.153, Applicability, (d)(1)) EPA allows federal agencies to exempt major or minor, new or modified stationary sources emissions permitted under an NSR program.

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EPA approved Wyoming’s general conformity regulations in the SIP in 2004; however, the SIP-approved program does not include EPA’s 2010 general conformity rule updates, which added the exemption for emissions addressed in minor NSR permits. The state recently adopted those updates into their state law, and these revisions were submitted to Region 8 on December 21, 2012. Accordingly, before BLM can rely on this exemption, this SIP revision must be approved by EPA.

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The state has major source Nonattainment New Source Review rules in its regulations, but the emissions from these oil and gas projects are not in such permits since most of the sources involved are minor sources. The state has an emissions offset and banking policy; however, it is not in the state’s regulations or in the SIP. The state also has voluntary emission reduction policies for the existing oil and gas projects, and these are also not in the SIP. The state is enrolled in EPA’s Ozone Advance program. Since the UGRB nonattainment area was classified as “marginal,” the state has no requirement or schedule for submitting an attainment demonstration SIP for the nonattainment area. Therefore, the emissions from these projects are not yet in a SIP.

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CURRENT STATUS: EPA has developed a response to address BLM's specific question regarding the use of WYDEQ's existing minor source NSR permitting regulations (WYDEQ's Chapter 6) for the general conformity exemption requirements.

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EPA's PROPOSED RESPONSE to BLM's Question on Using the General Conformity Rule's Minor Source NSR Permit Exemption based on the State's Current Minor Source NSR Permit Regulations:

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